

NEBRASKA DEPARTMENT
OF INSURANCE

JUN 16 2004

BEFORE THE DEPARTMENT OF INSURANCE
STATE OF NEBRASKA

FILED

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE,

PETITIONER,

vs.

JAMES DOUGLAS BUCHANAN,

RESPONDENT.

CAUSE NO.: A-1538

FINDINGS OF FACT,
CONCLUSIONS OF LAW,
RECOMMENDED ORDER AND
ORDER

This matter came on for hearing on the 14th day of June, 2004, before Christine M. Neighbors, a hearing officer duly appointed by the Director of the Nebraska Department of Insurance. The Nebraska Department of Insurance ("Department") was represented by its attorney, Janette Adair. James Douglas Buchanan ("Respondent") was not present and was not represented by counsel. The Rules of Evidence were not requested and the hearing was governed accordingly. The proceedings were tape recorded by Tracy Gruhn, a licensed Notary Public. Evidence was introduced and the matter taken under advisement. As a result of the hearing, the hearing officer makes the following Findings of Fact, Conclusions of Law, and Recommended Order.

FINDINGS OF FACT

1. Respondent was a licensed non-resident insurance producer whose registered address with the Department was 2591 Dallas Parkway #600, Frisco, TX 75034 until March 31, 2004. (Ex. 3).
2. The Department is the agency of the State of Nebraska charged with licensing insurance producers.
3. On or about May 17, 2004, the Petition and Notice of Hearing were served upon Respondent by mailing the same to his address of record by certified mail, return

receipt requested. On or about June 1, 2004, the certified letter was returned to the Department marked "Refused" as evidenced by the attachment to Exhibit 1.

4. The Department informed Respondent of the requirement for an annual certified public accountant audit required pursuant to *Neb. Rev. Stat. §44-19,116* by Notice of December 17, 2003 sent to all title insurance agents by U.S. Mail, postage prepaid. (Ex. 1). Said letter was not returned to the Department.

5. Pursuant to *Neb. Rev. Stat. §44-19,116*, all title insurance producers were to have an audit conducted by a certified public accountant. Said audit was to cover the period of the previous calendar year and a copy submitted to the Department by March 31, 2004. See 210 *Neb. Admin. R. & Regs. 34-007* (2004).

6. Respondent did not file an audit report with the Department by March 31, 2004.

7. On or about April 9, 2004, the Department sent a letter to Respondent about Respondent's failure to file the annual certified public accountant audit and informing him of the penalties for his failure to file the audit report or notify the Department of an exemption from the requirement. (Ex. 2).

8. Respondent did not respond to the Department's letters nor did Respondent file the required certified public accountant audit report. (Ex. 2).

CONCLUSIONS OF LAW

1. The Department has jurisdiction and control over the licensing of Respondent to sell insurance in the State of Nebraska pursuant to *Neb. Rev. Stat. §44-4041 et seq.*

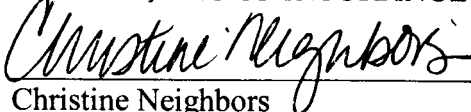
2. The Department has personal jurisdiction over Respondent pursuant to *Neb. Rev. Stat. §44-4059 (5)*.

3. Respondent violated *Neb. Rev. Stat. §44-19,116 (2)* and *210 Neb. Admin. R. & Regs. 34-007*.

RECOMMENDED ORDER

Based on the Findings of Fact and Conclusions of Law, it is recommended that Respondent's insurance producer's license be revoked. If Respondent applies for reinstatement of his insurance producer's license, Respondent shall either (1) file the certified public accountant audit report with the Department or (2) provide evidence that he was exempt from filing the report before the Department reinstates the license.


Dated this 15th day of June, 2004.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE

Christine Neighbors
Hearing Officer

CERTIFICATE OF ADOPTION

I have reviewed the foregoing Findings of Fact, Conclusions of Law, and Recommended Order and hereby certify that the Recommended Order is adopted as the official and final Order of this Department in the matter of State of Nebraska Department of Insurance v. James Douglas Buchanan, Cause No.: A-1538.

Dated this 16th day of June, 2004.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE

L. TIM WAGNER
Director of Insurance

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Findings of Fact, Conclusions of Law, Recommended Order and Order was served upon the Respondent by mailing a copy to Respondent at 2591 Dallas Parkway #600, Frisco, TX 75034 by certified mail, return receipt requested on this 16th day of June, 2004.

Tracy A. Shuler